



TEAMSTERS UNION LOCAL

Affiliated with the International Brotherhood of Teamsters

EXHIBIT 8
DATE 02/23/07
NO. 190 HB 792

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Rep. Dennis Himmelberger, Chair
House State Administration Committee
State Capitol
Helena, MT 59620

February 23, 2007

Re: House Bill 792

Chairman Himmelberger, Members of the House State Administration Committee, I want to apologize to you for not raising the following issues during your hearing on HB 792. Understanding your very busy schedule for both hearings and executive action and the fact that you had already heard extensive testimony on the technical and employee recruitment-retention difficulties associated with HB 792, I felt that it was best to truncate my testimony and simply concur with the opinions expressed by previous opponents. Unfortunately, in doing so I believe that the "human" element of what this bill proposes to do is left unsaid. Therefore, I am submitting this letter in hopes that you will be able to visit these concerns as you deliberate on the fate of HB 792.

Teamsters Local 190 represents a variety of public employees in Eastern Montana, including most of those who work for the City of Billings. The occupational differences include sanitation workers, clerical workers, city bus drivers, library workers, emergency dispatchers, public works operators and many others. The pay levels of these employees also vary according to occupation. And, as a result of the varying pay levels, the retirement benefits accorded these individual workers also vary. For some, PERS will essentially be supplemental to Social Security when the age of eligibility is reached. For others it may be their prime source of retirement income.

The reason we point that out is that the discussion surrounding the impacts of HB 792 seemed to evolve around budgetary, actuarial, fiscal and administrative problems when the actual impacts are extremely human in nature. As you deliberate the fate of HB 792 please consider that there are faces behind the numbers. Faces of your families, neighbors, friends or perhaps even the strangers you may see in your churches, gas stations or shopping malls. And please consider that these faces are attached to bodies which wear through the passage of time and that the "golden years" often involve the need for more "gold" as the costs associated with obtaining necessary health care, living assistance and community services outpace the meager increases in retirement benefits currently provided.

Cost of living adjustments are driven by formulas which anticipate an individual's ability to simply keep pace with inflation. In contractual negotiations they often follow the Consumer Price Index directly or some modified formula attached thereto. At other times they reflect an agreed upon percentage of projected costs of living. In GABA, in order to provide budgetary certainty for purpose of actuarial funding, these cost of living adjustments were set at a rate

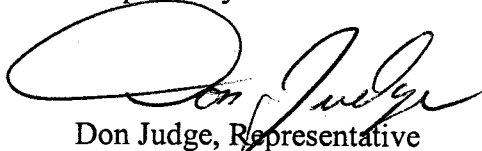
certain. In the case of the Public Employees Retirement System – a 3% guaranteed annual adjustment.

Although that 3% may either meet, exceed or fail to meet the actual cost of living adjustment required just to maintain income equality actual increases in the costs of living, it was and is intended to reflect the best that government could do given its budgetary and administrative constraints. We accept that.

On the other hand, reducing, or as HB 792 contemplates even eliminating, that GABA increase does not account for the realities of growing old, and on behalf of our future members and their “golden years” we cannot accept that. One thing is certain about aging, your body is finite and it will begin to fail. Whether you need direct medical treatment, assisted living or prescription drugs to accommodate that growing frailty, your cost of living will increase. HB 792 fails to consider these human needs and the faces attached to those needs.

Mr. Chairman and members of the committee, Teamsters Local 190 understands the concerns and complexities of resolving potential unfunded liabilities within our state’s retirement systems, we simply disagree that doing so requires that we subrogate the needs of some of our most vulnerable citizens to that solution. We respectfully request that you give HB 792 a “do not pass” recommendation. Again, please accept my apologies for not expressing this to your committee today. Thank you.

Respectfully Submitted

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Don Judge, Representative
Teamsters Local 190
(406) 459-1708

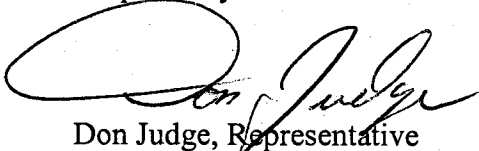
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